



THE CITY OF SAN DIEGO

CITY OF SAN DIEGO

ADAMS AVENUE
MAINTENANCE ASSESSMENT DISTRICT
ANNUAL UPDATE ENGINEER'S REPORT

JUNE 2012

PURSUANT TO THE
LANDSCAPING AND LIGHTING ACT OF 1972, CALIFORNIA STREETS & HIGHWAYS
CODE

KOPPEL & GRUBER
PUBLIC FINANCE

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City of San Diego

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SECTION I. EXECUTIVE SUMMARY

Project: Adams Avenue Maintenance Assessment District (“District”)

Apportionment Method: Linear Front Foot (“LFF”)

**Table 1 – Summary Information
By Benefit Zone**

	FY 2012	FY 2013 (1)	Maximum Authorized
Parcels Assessed			
Zone 1	36	36	
Zone 2	103	103	
Zone 3	12	12	
Zone 4	18	18	
Zone 5, Subarea A	47	47	
Zone 5, Subarea B	31	31	
Zone 5, Subarea C	23	23	
Zone 5, Subarea D	33	33	
Total Parcels Assessed:	303	303	
Estimated Assessment Revenue			
Zone 1	\$4,518	\$4,518	\$4,518
Zone 2	\$16,090	\$16,090	\$16,090
Zone 3	\$5,590	\$5,590	\$5,590
Zone 4	\$5,600	\$5,600	\$5,600
Zone 5, Subarea A	\$12,034	\$12,034	\$14,839
Zone 5, Subarea B	\$1,131	\$1,131	\$1,396
Zone 5, Subarea C	\$936	\$936	\$1,167
Zone 5, Subarea D	\$4,301	\$4,301	\$5,305
Total Estimated Assessment:	\$50,200	\$50,200	\$54,505

Table 1 – Continued

Linear Front Footage	FY 2012	FY 2013 (1)	Maximum Authorized
Zone 1	2,054	2,054	
Zone 2	6,436	6,436	
Zone 3	559	559	
Zone 4	1,120	1,120	
Zone 5, Subarea A	3,039	3,039	
Zone 5, Subarea B	1,203	1,203	
Zone 5, Subarea C	1,200	1,200	
Zone 5, Subarea D	1,982	1,982	
Total Linear Front Footage:	17,593	17,593	
Assessment per LFF			
Zone 1	\$2.20	\$2.20	\$2.20
Zone 2	\$2.50	\$2.50	\$2.50
Zone 3	\$10.00	\$10.00	\$10.00
Zone 4	\$5.00	\$5.00	\$5.00
Zone 5, Subarea A	\$3.96	\$3.96	\$4.88
Zone 5, Subarea B	\$0.94	\$0.94	\$1.16
Zone 5, Subarea C	\$0.78	\$0.78	\$0.97
Zone 5, Subarea D	\$2.17	\$2.17	\$2.68

1. FY 2013 is the City's Fiscal Year 2013, which begins July 1, 2012 and ends June 30, 2013. Total Parcels Assessed, Total Estimated Assessment Revenue, and Total Estimated Factors may vary from prior year due to parcel changes.

District History: The District was formed in 1994 and is in compliance with Proposition 218. Zone 5 conducted an assessment ballot procedure in 2003 and a weighted majority of property owners, based on assessment amount, were in support of the continuation of the assessments, annual indexing provisions and services and improvements the assessments fund.

Annual Cost Indexing: The assessments in Zone 5 are the only assessments authorized to be increased. The assessments for Zone 5 may be indexed annually commencing in FY 2007 by the annual change in the San Diego Area Consumer Price Index (the SDCPI-U).

Bonds: No bonds will be issued in connection with this District.

SECTION II. BACKGROUND

A. Introduction

The Adams Avenue Maintenance Assessment District was established in 1994 as a self-managed District. The District is in compliance with the provision of Proposition 218. An assessment ballot proceeding was conducted for Zone 5 and a weighted majority of property owners, based on assessment amount, were in support of the continuation of the assessments, annual indexing provisions and services and improvements the assessments fund.

This report constitutes the Engineer's Report for the City of San Diego ("City") Adams Avenue Maintenance Assessment District for Fiscal Year ("FY") 2013. The City Council pursuant to the provisions of the San Diego Maintenance Assessment District Procedural Ordinance of 1986 (the "Ordinance") Landscaping and Lighting Act of 1972, Being Division 15, Part 2 of the Streets and Highways Code of the State of California, beginning with Section 22500 (the "1972 Act"), Article XIID of the Constitution of the State of California ("Article XIID"), the Proposition 218 Omnibus Implementation Act (Government Code Section 53750 and following) (the "Implementation Act"), and (the Ordinance, 1972 Act, Article XIID and the Implementation Act are referred to collectively as the "Assessment Law") desires to levy and collect annual assessments against lots and parcels within the District in the fiscal year commencing July 1, 2012 and ending June 30, 2013 to pay for the operation, maintenance and servicing of landscaping, lighting, drainage, safety programs and all appurtenant facilities. The assessment rates set for 2012/2013 as set forth in this Engineer's Report do not exceed the maximum rates established at the time the District was formed; therefore, the City and the District are not required to go through a property owner ballot protest procedure in order to establish the 2012/2013 assessment rates.

Each lot or parcel within the District is assessed proportionately for only the improvements and services that are determined to be special benefit. For this report, each lot or parcel to be assessed, refers to an individual property assigned its own Assessor Parcel Number by the San Diego County ("County") Assessor's Office as shown on the last equalized roll of the assessor.

A Public Hearing will be scheduled where public testimony will be heard by the City Council. Following the conclusion of the Public Hearing, the City Council will confirm the Engineer's Report as submitted or amended and may order the collection of assessments for FY 2013.

SECTION III. PLANS AND SPECIFICATION

A. General Description of the District

The territory within the District consists of all lots, parcels and subdivisions of land as shown on the Boundary Diagram titled “Map of Proposed Boundaries of the City of San Diego Adams Avenue Maintenance Assessment District” contained within this report in Section VI.

The District is generally located along Adams Avenue between 33rd Street and 39th Street and between Terrace Drive and Vista Street. The Adams Avenue Business Association manages the District.

The District is divided into five Zones located along Adams Avenue and are described as follows:

Zone 1 – Felton Street to Mansfield Street

Zone 2 – Mansfield Street to 39th Street and Terrace Drive to Vista Street

Zone 3 – 33rd Street to Felton Street

Zone 4 – Mid-block east of Kansas Street to Interstate 805

Zone 5 – Arizona Street to mid-block east of Kansas Street and from Interstate 805 to 33rd Street and 30th Street from Adams Avenue to Monroe Avenue. Zone 5 is further divided into four (4) sub-districts described as follows:

Sub-Area A – Arizona Street to mid-block east of Kansas Street along
Adams Avenue

Sub-Area B – Adams Avenue to Madison Avenue along 30th Street

Sub-Area C – Madison Avenue to Monroe Avenue along 30th Street

Sub-Area D – Interstate 805 to 33rd Street along Adams Avenue

B. Description of Improvements to be Maintained and Services

The District, through the levy of special assessments, provides funding for ongoing maintenance, operation and servicing of street trees and shrubs, lighting, and litter removal located within the public rights-of-ways and dedicated easements located within the District. Maintenance services will be provided by City personnel and/or private contractors. The specific improvements maintained and serviced with the Zones are described as follows:

- Zone 1 – Approximately 27 single-acorn style decorative street lights and various trees uniformly placed throughout the zone.
- Zone 2 – Approximately 5 double-acorn style decorative street lights.
- Zone 3 – Approximately 5 single-acorn style decorative street lights.
- Zone 4 – Various trees uniformly placed throughout the zone.
- Zone 5 – Enhanced street lighting and trees.

Plans and specifications for these improvements to be maintained by the District are on file with the City Engineer's office and by reference are made part of this Report. These documents are on file with the City Clerk and the City Planning and Community Investment Department and are available for public inspection during normal business hours.

C. Description of Maintenance and Services

Maintenance means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of improvements, services and appurtenant facilities, including repair, removal or replacement of all or part of any of the improvements, services or appurtenant facilities; providing for the life, growth, health and beauty of the landscaping improvements including cultivation, drainage, irrigation, trimming, mowing, spraying, fertilizing and treating for disease or injury; the removal of trimmings, rubbish, debris and other solid waste; and the cleaning and sweeping of the sidewalk and gutter, collection and disposal of fallen branches and trees, tree and bush trimming, placement of street furniture, banner installation, security services, including homeless patrolling and reporting of security and safety problems to governmental agencies and the cleaning, sandblasting, and painting of walls, and other improvements to remove or cover graffiti.

Servicing means the furnishing of water and electricity for the irrigation of the Improvements or appurtenant facilities including any decorative lighting and the furnishing of electric current or energy, gas or other illuminating agent for the lighting improvements. Servicing also allows for the replacement of the facilities in order to maintain them in proper working order and to provide specific benefit to the District; or providing security and homeless patrols and other activities related to maintaining security.

SECTION IV. ESTIMATE OF COSTS

A. Estimate of Costs Table

Below are the estimated costs of maintenance and services for the District including incidental costs and expenses, revenue and reserves.

Table 2 – Estimate of Costs

	FY 2010/11	FY2011/12	FY 2012/13
ADAMS AVENUE	BUDGET	BUDGET	PROPOSED
Beginning Balance	\$0	\$0	\$0
Revenue			
Assessments	\$50,200	\$50,200	\$50,200
Business Improvement District Assessment	\$3,000	\$3,000	\$3,000
TOTAL OPERATING REVENUE	\$53,200	\$53,200	\$53,200
TOTAL REVENUE AND BALANCE	\$53,200	\$53,200	\$53,200
Expense			
Personnel	\$0	\$0	\$0
Contractual	\$32,050	\$32,180	\$32,000
Incidentals / Administration ¹	\$14,130	\$14,000	\$14,180
Utilities	\$2,000	\$2,000	\$2,000
Contingency Reserve ²	\$5,020	\$5,020	\$5,020
TOTAL EXPENSE	\$53,200	\$53,200	\$53,200
BALANCE	\$0	\$0	\$0
<u>Assessment Rate per Linear Frontage Foot:</u>			
Zone 1	\$2.20	\$2.20	\$2.20
Zone 2	\$2.50	\$2.50	\$2.50
Zone 3	\$10.00	\$10.00	\$10.00
Zone 4	\$5.00	\$5.00	\$5.00
Zone 5, Sub-District A	\$3.96	\$3.96	\$3.96
Zone 5, Sub-District B	\$0.94	\$0.94	\$0.94
Zone 5, Sub-District C	\$0.78	\$0.78	\$0.78
Zone 5, Sub-District D	\$2.17	\$2.17	\$2.17

Notes:

1. Includes City Administration Fee of 4%.
2. The contingency builds a reserve for the District for funding emergency needs and provides a source of funds to operate from July through December while waiting for County property tax distributions that typically occur in January and May.

SECTION V. METHOD OF APPORTIONMENT

A. General

The Implementation Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include the construction, maintenance, and servicing of street lights, traffic signals, landscaping and drainage facilities.

Streets and Highways Code Section 22573 requires that maintenance assessments be levied according to benefit rather than the assessed value.

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

In addition, Article XIID and the Implementation Act require that a parcel’s assessment may not exceed the reasonable cost for the proportional special benefit conferred to that parcel. Article XIID and the Implementation Act further provides that only special benefits are assessable and the City must separate the general benefits from the special benefits. They also require that publicly owned properties which specifically benefit from the improvements be assessed.

B. Special Benefit Analysis

Each of the proposed improvements and the associated costs and assessments within the District has been reviewed, identified and allocated based on special benefit pursuant to the provisions of the Assessment Law.

Proper maintenance and operation of landscaping, street trees and streetlights provides special benefit to adjacent properties by providing community character, security, safety and vitality. In addition, the Improvements will enhance the ability of property owners to attract and maintain customers as well as increase the viability of commercial development.

Special Benefit

Parcels within the District receive a special benefit resulting from the maintenance and services and improvement provided with the assessments. Specifically the special benefits are summarized as follows:

- Improved cleanliness and maintenance of sidewalks used to access property in the District.
- Enhanced cleanliness and desirability of the area, including removal of litter and debris from sidewalks and other public facilities for the direct advantage of property in the District.

- Protection and improvement of views, scenery and other permanent public facility resources value for property in the District and preservation of public assets maintained by the District.
- Enhanced safety of property in the District and reduced liability risk.
- Improved illumination of property in the District.
- Improved access to property in the District due to cleaner and safer sidewalks and improved lighting.
- Improved nighttime visibility for the local access of emergency vehicles.
- Improved safety and traffic circulation to and from parcels.
- Increased deterrence of crime and aid to police and emergency vehicles.

General Benefit

The proceeds from the assessment will be used to fund enhanced improvements, services and activities within the District that, in absence of the assessment, otherwise would not be provided at an enhanced level or frequency of service. The District will continue to receive the same level of general services provided to the public at large under City-funded and administered programs, as determined annually, for maintenance of public facilities and improvements (e.g., street trees, sidewalks, street lights, etc.), including street sweeping and graffiti removal on public property.

The City provides the District with services, resources and contributions including, but not limited to street sweeping, landscape/tree maintenance (from the Gas Tax Fund, roadway and stormdrain improvement and maintenance, regular trash removal, graffiti removal, park maintenance and improvement, basic street lighting, traffic controls and public signage, street median, public safety (through the Police Department) and other public services and improvements. These City services are considered to be basic in nature, and subject to the City's budget and can be provided at a reduced level. The services provided by the District are enhanced over and above this basic service level. The general benefit from the services are determined to be minimal and are more than offset by the contributions the City provide to property in the District.

C. Assessment Methodology

To establish the special benefit to the individual lots and parcels within the District a formula that spreads the costs of the maintenance based on the special benefit must be established. The Improvements have been reviewed and a formula has been established to apportion the maintenance costs based on benefit.

The method of assessment established at the time of the District's formation is based on the Linear Front Footage ("LFF") for each parcel located within the District. The improvements and services provided by the District are within the public right of way along the street, therefore utilizing the LFF to calculate the assessment is directly proportional to the benefit received. The parcel's LFF was determined based on Assessor's Parcel maps or other sources.

SAMPLE CALCULATIONS

As described above, assessments have been calculated for each parcel based the Linear Front Footage of the property along the improvement/service corridor.

$LFF = \text{Linear Front Footage}$

Shown below are LFF calculations for various sample parcels.

- **Property with 50-foot frontage**
 $LFF = 50.00 \text{ LFF}$
- **Property with 140-foot frontage**
 $LFF = 140.00 \text{ LFF}$
- **7-unit Condominium Property with 49-foot frontage**
 $LFF (\text{per condo unit}) = 49.00 \text{ LFF} / 7 \text{ units} = 7.00 \text{ LFF}$

The total assessment for each parcel in the District is based on the calculated LFF for the parcel and the applicable unit assessment rate, as shown in the following equation:

$\text{Total Assessment} = \text{Total LFF} \times \text{Unit Assessment Rate}$

D. Assessment Range Formula (Zone 5 Only)

The indexing of assessments is permitted only under the current apportionment methodology for Zone 5. The purpose of establishing an Assessment Range Formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring the District to go through the requirements of Proposition 218 in order to get a small increase. This Assessment Range Formula was approved by the property owners at the time the District was formed. If the budget and assessments calculated requires an increase greater than the adjusted Maximum Assessment, then the assessment is considered an increased assessment and would be subject to Proposition 218 balloting.

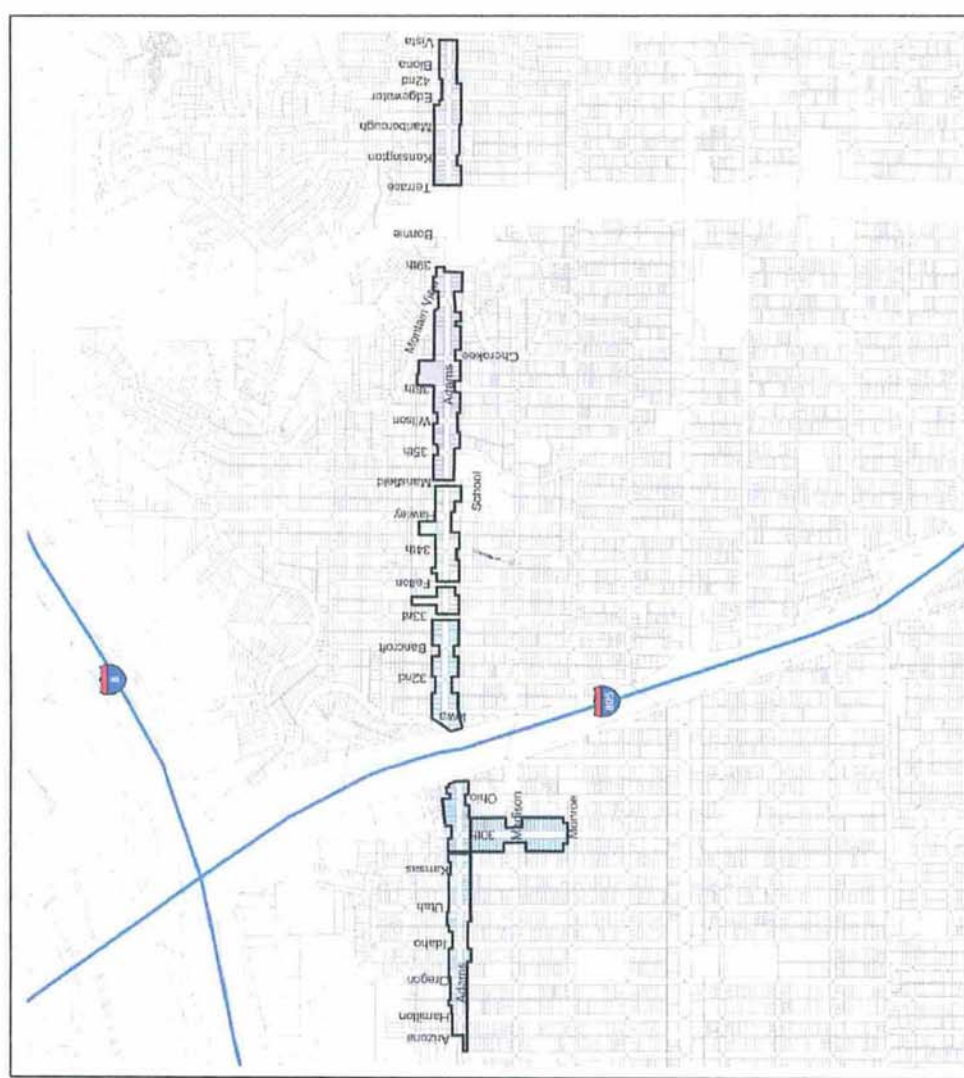
The maximum authorized assessments for Zone 5 established in the Fiscal Year 2003 proceedings are authorized to be indexed (increased or decreased) annually by the factor published in the SDCPI-U. The annual change in second half SDCPI-U values, as compiled by the U.S. Bureau of Labor Statistics (see www.bls.gov), for the prior year period was from 246.686 to 253.368 (a 2.71% increase). In accordance with the approved cost-indexing provisions, the maximum authorized assessment rates contained within this Assessment Engineer's Report have been increased by 2.71%.

The Maximum Assessment is adjusted annually and is calculated independent of the District's annual budget and proposed annual assessment. Any proposed annual assessment is not considered an increased assessment, even if the proposed assessment is greater than the assessment applied in the prior fiscal year.

SECTION VI. ASSESSMENT DIAGRAM

The parcels within the Adams Avenue Maintenance Assessment District consist of all lots, parcels depicted within the boundaries of the District. The District diagram reflecting the exterior boundaries of the District and the Zones of benefit is on file with the City Clerk.

A



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, THIS 20 DAY OF

CITY CLERK
RECORDED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, THIS 20 DAY OF

CITY CLERK
AN ASSESSMENT WAS COMPALED AND LEVIED BY THE CITY COUNCIL OF THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, THIS 20 DAY OF FOR FISCAL YEAR 20 AND SAID ASSESSMENT DIAGRAM ON THE 20 FOR FISCAL YEAR 20 AND SAID ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL FOR SAID FISCAL YEAR WERE FILED IN THE OFFICE OF THE COUNTY AUDITOR OF THE COUNTY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, THIS 20 DAY OF. THE CITY CLERK IS HEREBY MADE TO SAID RECORDED ASSESSMENT ROLL FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND

CITY CLERK
FILED THIS 20 DAY OF IN THE OFFICE OF THE COUNTY AUDITOR OF THE COUNTY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, AT THE REQUEST OF THE CITY OF SAN DIEGO CITY COUNCIL.

COUNTY AUDITOR COUNTY OF SAN DIEGO

NOTE: REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS ON RECORD IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, FOR THE LOCATION, DIMENSIONS OF ANY PARCELS SHOWN. HEREIN, THOSE MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LOCATION, DIMENSIONS OF ANY PARCELS SHOWN. EACH PARCEL IS IDENTIFIED IN SAID MAPS BY ITS DISTINCTIVE ASSESSOR'S PARCEL NUMBER.

SECTION VII. ASSESSMENT ROLL

The assessment roll is a listing of the Fiscal Year 2013 Assessment apportioned to each lot or parcel, as shown on the San Diego County last equalized roll of the assessor and reflective of the Assessor's Parcel Map(s) associated with the equalized roll. A listing of parcels proposed to be assessed within this District is shown on the following table.

CITY OF SAN DIEGO

Adams Avenue Maintenance Assessment District

Engineer's Report Fiscal Year 2013

This report has been prepared and submitted by:

C. Stephen Bucknam Jr. C 20903

Koppel & Gruber Public Finance

I, _____, as City Clerk of the City of San Diego, County of San Diego, California, do hereby certify that the Assessment as shown on the Assessment Roll, together with the Assessment Diagram, both of which are incorporated into this report, were filed in my office on the _____ day of _____, 2012.

Elizabeth Maland, City Clerk
City of San Diego
State of California

I, _____, as City Clerk of the City of San Diego, County of San Diego, California, do hereby certify that the foregoing Assessment as shown together with the Assessment Diagram incorporated into this report, was approved and confirmed by the City Council of said City on the _____ day of _____, 2012.

Elizabeth Maland, City Clerk
City of San Diego
State of California

I, _____, as City Engineer of the City of San Diego, County of San Diego, California, do hereby certify that the foregoing Assessment as shown together with the Assessment Diagram incorporated into this report, was recorded in my office on the _____ day of _____, 2012.

James Naglevoort, City Engineer
City of San Diego
State of California